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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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November 18, 1991

TO: Board of Oil, Gas and Mining

THRU: Lowell P. Braxton, Associate Director, Mining *LOB*

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Request for Board Concurrence, Request for Release of Reclamation Surety, Utah International Inc., Cedar City Operations, M/021/001, Iron County, Utah

On October 2, 1991, the Board approved of Geneva Steel's Interim Reclamation Surety which covers a 36-acre portion of Utah International Inc.,s (Ull) mining property, permit M/021/001. This **portion** of Ull,s mining operation has been purchased and is now effectively transferred to Geneva Steel.

Ull has requested a formal release and termination of the \$217,421 reclamation surety (Mined Land Reclamation Contract/Self-bond) held by the Division for their reclaimed Cedar City mining operations. The \$217,421 reclamation surety (1987 dollars) covered approximately 443 acres of surface disturbance. The operator has contemporaneously reclaimed these properties over the past 10-11 years. The Division has periodically inspected and found the reclamation acceptable and has notified Ull accordingly.

The operator has now satisfactorily reclaimed and/or transferred pertinent portions of all disturbed areas covered under permit M/021/001, and the Division is prepared to release Ull from any further reclamation liability. We respectfully seek the Board's concurrence in releasing the operator from continued reclamation obligations under its Mined Land Reclamation Contract. Attached is a site location map, the original Board Contract, and a brief summary of the pertinent permitting chronology for your review.

Thank you for your time and consideration of this request.

jb
M021001.rel

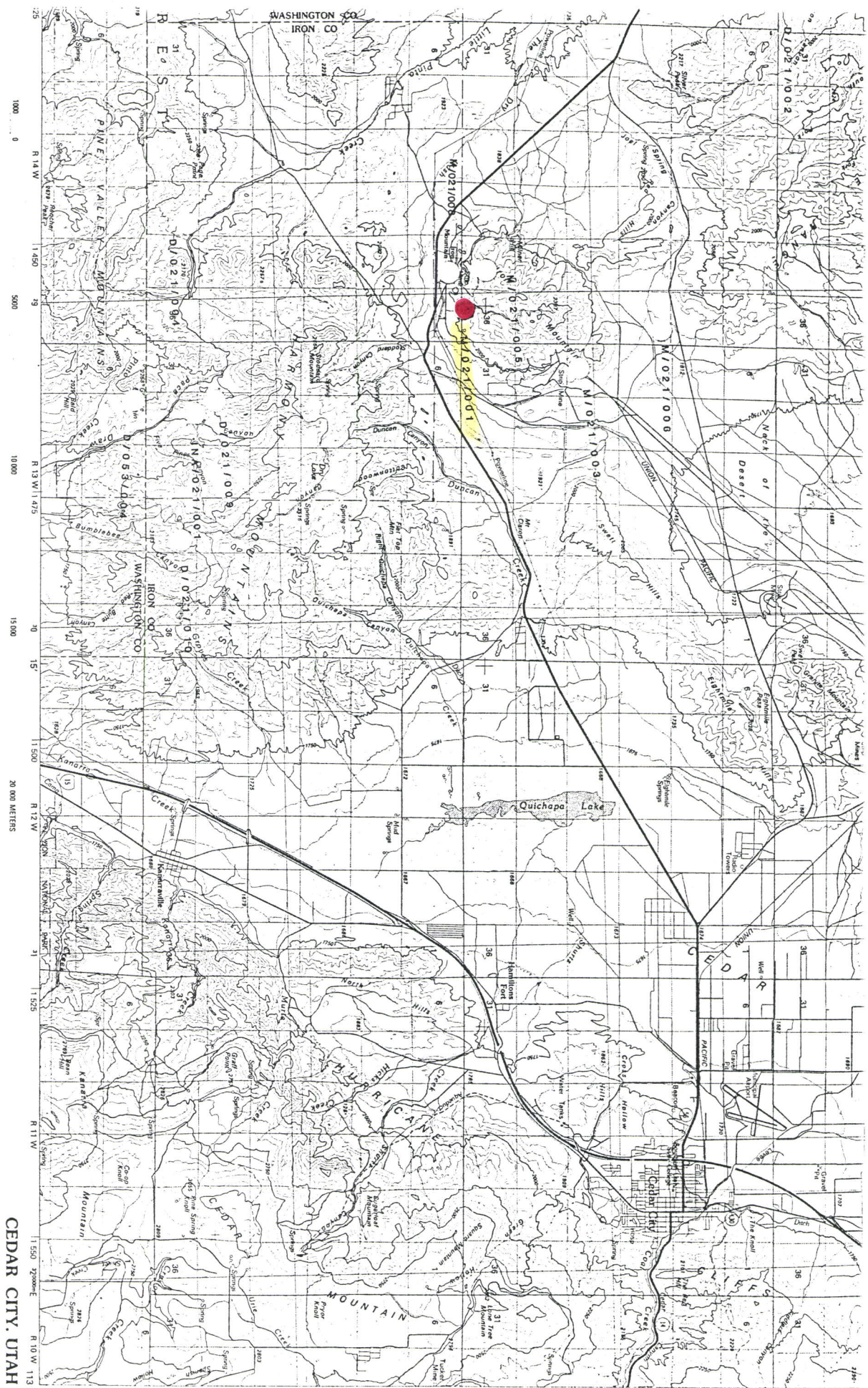
UII Permitting Chronology

(Summary of most important events/dates leading to surety release)
(last update 12/9/91)

June 1977	DOGM receives UII permit application (NOI).
December 26, 1978	DOGM approval of UII Notice of Intention (@750 acres disturbance proposed), Board Contract/Self-bond, \$974,312 reclamation estimate.
May 14, 1980	UII/CF&I revised permit application received by DOGM. New processing plant and tailings impoundment proposed, old Iron Springs Plant to be decommissioned.
October 24, 1980	Board approves of amount and form of surety for revised permit application.
October 30, 1980	UII notifies DOGM they have reclaimed @328 acres of disturbance in Iron Springs area according to June 1977 approved plan.
March 11, 1981	UII notifies DOGM in writing of indefinite suspension of mining operations. Construction of new mill/plant and expanded Comstock Pit mining put on hold.
June 29, 1981	UII letter to DOGM requesting written release from reclaimed areas inspected by DOGM on April 29/81 (@384 acres).
October 13, 1981	DOGM responds to UII request, but only offers suggestions for obtaining partial release.
August 18, 1982	DOGM inspection. Reclaimed areas show improvement. We will continue monitoring revegetation success for 3 year period or until 70% cover achieved.
May 31, 1984	UII prepares detailed breakdown of actual disturbed acreage by their mining activities. Summarizes areas reclaimed and those areas to be reclaimed (556 total acres disturbed).

August 29, 1984	DOGM releases 263 acres as being successfully reclaimed. Surety estimate was revised by DOGM to \$217,421 (1987 dollars).
August 19, 1986	DOGM releases another 185 acres of reclaimed disturbance (95 acres remain to be reclaimed).
September 18, 1989	DOGM releases 59 acres of remaining 95 (36 acres remain).
February 12, 1990	DOGM received permit transfer documents to effectively transfer remaining 36 acres to Geneva Steel as part of a permit transfer. Transfer Agreement is awaiting DOGM Director's signature.
October 2, 1991	Board approves of Geneva Steel's Interim Reclamation Surety. Ull's 36-acre parcel is included. Final signing of permit transfer pending.
December 5, 1991	Board approves of Ull's request for release from their Mined Land Reclamation Contract/Self-bond. Permit transfer documents finalized by DOGM. Operator to be formally notified accordingly.

M021001.3



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
BOARD OF OIL, GAS AND MINING
1588 West North Temple
Salt Lake City, Utah 84116

* MINED LANDS RECLAMATION CONTRACT *

THIS CONTRACT, made and entered into this 28th day of November, 19 78, between Utah International Incorporated a corporation duly authorized and existing under and by virtue of the laws of Delaware as party of the first part, and hereinafter called the Operator, and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah, as party of the second part hereinafter called the Board.

WITNESSETH:

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases hereinafter more particularly mentioned and described in Exhibit "A" attached hereto.

WHEREAS, the Operator did on the 10th day of June 1977, file with the Division of Oil, Gas, and Mining, a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, UCA, 1953;

WHEREAS, the Operator is able and willing to reclaim the above mentioned "lands affected" in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act and the rules and regulations adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the staff by the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, the financial status of the Operator and his capabilities of carrying out the planned work.

NOW THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties hereto agree as follows:

1. The operator promises to reclaim the land affected in accordance with the approved Mining and Reclamation Plan, the Mined Land Reclamation Act, and the Rules and Regulations adopted in accordance therewith.
2. The Board, in lieu of the posting of a bond or other surety, accepts the personal guarantee of the Operator to reclaim the land affected.
3. The Board and Operator both agree that the Operator will be obligated to expend whatever sum necessary to complete the reclamation work outlined in the Mining and Reclamation Plan which was designed for the mining operation as submitted to the Division on the 10th day of June, 19 77.

No bond &
estimate??

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this Eighth day of December, 19 78.

By:

Boyd C. Paulson
Boyd C. Paulson, Vice President
Utah International Inc.

ATTEST:

F. K. Vance
Assistant Secretary, F. K. Vance

BOARD OF OIL, GAS, AND MINING

By:

Charles F. Hinchman
Chairman

Note: If the Operator is a corporation, the agreement should be executed by its duly authorized officer with the seal of the corporation affixed.